

CALIFORNIA COASTAL COMMISSION

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 Staff: Ellen Lirley-SD
 Staff Report: November 13, 2006
 Hearing Date: December 12-15, 2006

REGULAR CALENDAR
STAFF REPORT AND PRELIMINARY RECOMMENDATION

Application No.: 6-06-095

Applicant: Islandia Hyatt Regency Hotel Agent: Barbara Harris Permitting Service

Description: Renovate portions of the Islandia Hyatt Regency Hotel in Mission Bay Park, including conversion of a fitness area and meeting room to three guestrooms, conversion of portions of the existing restaurant/lounge to a day spa, conversion of a meeting room to a fitness room, demolition of two meeting rooms and a guestroom, and construction of an 18-foot-high water slide structure in the existing courtyard/pool area.

Parking Spaces	540
Zoning	Unzoned
Plan Designation	Lease Area
Ht abv fin grade	18 feet (only new structure)

Site: 1441 Quivira Road, Mission Bay Park, San Diego, San Diego County. No APN

Substantive File Documents: Certified Mission Bay Park Master Plan

STAFF NOTES:

Summary of Staff's Preliminary Recommendation:

Staff recommends approval of the proposed hotel renovations, which propose no increase in interior floor space except 81 sq.ft. to enclose an existing service corridor. The applicant does, however, propose to modify and shift several uses within the existing structures, in the existing lobby, guestroom, meeting room, restaurant and fitness areas. The overall result will be a reduction in restaurant and meeting room space and the addition of a day spa; the number of guestrooms will stay the same as has been previously permitted or existed prior to the Coastal Act. Also proposed is a new waterslide structure within the existing courtyard/pool area and expansion of the pool itself. Potential issues raised by the proposed development include public access,

adequacy of parking, and visual resources. However, these are all resolved through project design and no special conditions are recommended.

I. PRELIMINARY STAFF RECOMMENDATION:

The staff recommends the Commission adopt the following resolution:

MOTION: *I move that the Commission approve Coastal Development Permit No. 6-06-095 pursuant to the staff recommendation.*

STAFF RECOMMENDATION OF APPROVAL:

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

RESOLUTION TO APPROVE THE PERMIT:

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. Standard Conditions.

See attached page.

III. Findings and Declarations.

The Commission finds and declares as follows:

1. Detailed Project Description. The Hyatt Islandia Regency Hotel is one of several commercial leases within Mission Bay Park offering overnight accommodations to visitors. The overall complex includes a pre-Coastal Act 18-story guestroom tower, Garden Buildings A, B and C, also housing guestrooms, a parking structure, a marina, restaurants, lounges, a fitness area, meeting and banquet rooms, and a courtyard/pool area. A total of 430 guestrooms are provided, and the 189-slip marina accommodates sportfishing, boat rentals and sales, rental slips and transient occupancy slips.

The hotel is proposing extensive upgrades to the overall resort facilities. Many of the proposed renovations are exempt from coastal development permit requirements, and have been addressed in a letter dated November 1, 2006. Those proposed renovations not exempt from permit requirements are the subject of this permit. They include construction of one new structure, which is an 18-foot water slide feature located adjacent to an expanded swimming pool in the existing courtyard area. All other renovations occur within the existing structures and result in an increase in enclosed floor area of only 81 sq.ft., where an existing outside service corridor associated with the Tower Building is proposed to be incorporated into that building through enclosure.

Although the total square footage of all the buildings on the site otherwise remains unchanged, interior modifications will shift and modify uses in three existing buildings, including the Tower Building, Garden Building A/B and the Marlin Club Building. Within the Tower Building, the existing 3,977 sq.ft. restaurant/lounge on the ground floor will be modified into a smaller lounge of 1,098 sq.ft. and a 2,879 sq.ft. day spa. On the second floor of the Tower Building, two guestrooms that were previously converted to a fitness area two years ago without a coastal development permit will be converted back to two guestrooms as part of the proposed modifications. In Garden Building A/B a portion of the second floor will be demolished, eliminating two meeting rooms and one guest room, to create a two-story lobby. A third existing meeting room on the second floor will then be converted to a guest room. Thus, the total number of guestrooms is the same as was originally built before the Coastal Act and through subsequent permits from the Commission. Finally, a 937 sq.ft. meeting room on the second floor of the Marlin Club Building will be converted to a fitness room.

The subject site is located within Mission Bay Park in the City of San Diego. It is situated adjacent to Quivira Basin in the southwestern portion of Mission Bay. Mission Bay Park is an area of deferred certification, where the Commission retains jurisdiction and Chapter 3 policies of the Coastal Act are the standard of review. The Commission has certified the Mission Bay Park Master Plan as the LUP for Mission Bay Park and uses the Master Plan as guidance.

2. Public Access. The following Coastal Act policies are most pertinent to the proposed development, and state, in part:

Section 30211

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30212

(a) Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where:

(1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources,

(2) adequate access exists nearby.

Section 30252

The location and amount of new development should maintain and enhance public access to the coast by ... (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, ...

Section 30604(c)

(c) Every coastal development permit issued for any development between the nearest public road and the sea or the shoreline of any body of water located within the coastal zone shall include a specific finding that the development is in conformity with the public access and public recreation policies of Chapter 3 (commencing with Section 30200).

Mission Bay Park is a public aquatic park built primarily on tidelands granted to the City of San Diego. The project site is located between the first coastal roadway and the sea (in this case the sea is Mission Bay). Public lateral access is available along most of the Mission Bay shoreline, including through the subject commercial leasehold along the water's edge. Pedestrian and bicycle traffic can also use the adjacent public street, Quivira Road, and there is a public parking lot across the street from the hotel to the west.

The proposed improvements will not change the current patterns of public access to and through the site, since the improvements are almost completely within existing structures. Currently, the restaurant and lounge areas are open to the general public as well as hotel guests. Although restaurant/lounge space on site will be reduced through the proposed renovations, the day spa replacing portions of those facilities will be open to the public as well. The affected restaurant/lounge area is a smaller facility attached to the tower building; the existing, approximately 10,000 sq.ft. main restaurant (Islandia Coast Grill) is a separate building and is not modified herein.

According to a recent break-down of on-site uses and on-site parking, the hotel facility provides enough parking for all existing and proposed uses. The applicant has identified that the leasehold includes 540 parking spaces. Although all proposed uses on-site would require 751 parking spaces pursuant to the certified Mission Bay Park Master Plan, the plan allows a one-third reduction in spaces for a resort facility such as the Islandia, since the majority of people using accessory amenities, such as restaurants, lounges, gift shops, and the proposed spa are already hotel guests. With this reduction, the hotel is only required to provide 503 parking spaces. In addition, if the proposed change in uses were considered alone,

particularly the replacement of some restaurant area with a spa, the amount of required parking overall is less than with the existing uses.

In summary, the Commission finds that the project will not negatively impact existing public access and recreation in the general area and through the site itself. Nearly all construction activities will take place within existing structures, with minimal disturbance to the exterior areas of the leasehold that are used by both hotel guests and the general public. Moreover, adequate parking is provided for both existing and proposed uses. Finally, the proposed renovations do not increase the intensity of use of the resort facility. Therefore, the Commission finds the proposal consistent with all of the cited public access policies of the Coastal Act.

3. Visual Resources. Section 30251 of the Coastal Act addresses visual resources, and states, in part:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas....

All of Mission Bay Park is a highly scenic public recreational resource, such that protection and enhancement of visual amenities is a critical concern in any proposed development in the park. The Hyatt Islandia leasehold is located in the southwestern portion of the park, in the Quivira Basin area. This area is comprised primarily of commercial leaseholds, including, in addition to the subject site, marinas, sportfishing amenities, conference/banquet facilities, restaurants and boat repair facilities. The City's park headquarters is also located in this general area, across the basin from the Islandia. There are also some public picnic amenities, and a shoreline pedestrian walk.

Only one new structure is proposed on the site pursuant to this permit application. That is an 18-foot high waterslide feature as part of an enlarged pool. The courtyard area where these facilities are located is surrounded by various hotel buildings. As such, the proposed development will not be visible from public areas outside the leasehold. All other proposed renovations are within existing structures. Therefore, no foreseeable adverse effects on the existing scenic coastal area are anticipated, and the Commission finds the project consistent with Section 30251 of the Act.

4. Unpermitted Development. Although development, in the form of conversion of two existing guest rooms to a fitness center, has taken place prior to submission of this permit application, consideration of the application by the Commission has been based solely upon the Chapter 3 policies of the Coastal Act. Through the subject permit, the fitness area will be converted back to two guest rooms, as one of many proposed renovations. Approval of the permit does not constitute a waiver of any legal action with regard to this violation of

the Coastal Act that may have occurred; nor does it constitute admission as to the legality of any development undertaken on the subject site without a coastal development permit.

5. Local Coastal Planning. The Commission certified the Mission Bay Park Master Plan on May 11, 1995, as the land use plan (LUP) component of its LCP, but no implementation plan has been prepared for this segment to date and Mission Bay Park is primarily unzoned. As a whole, Mission Bay Park is a dedicated public park, and the Hyatt Islandia is one of many designated commercial leases in the certified LUP. The proposed development consists primarily of interior renovations of several existing structures on the site and is consistent with the Mission Bay Park Master Plan, including the public access requirements of the plan. Moreover, it has been found consistent with all applicable Chapter 3 policies of the Coastal Act. No other local discretionary actions are required as a result of the improvements proposed herein. Therefore, the Commission finds that approval of the project will not prejudice the ability of the City of San Diego to prepare a fully certifiable LCP for its Mission Bay Park segment.

6. Consistency with the California Environmental Quality Act (CEQA). Section 13096 of the Commission's Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

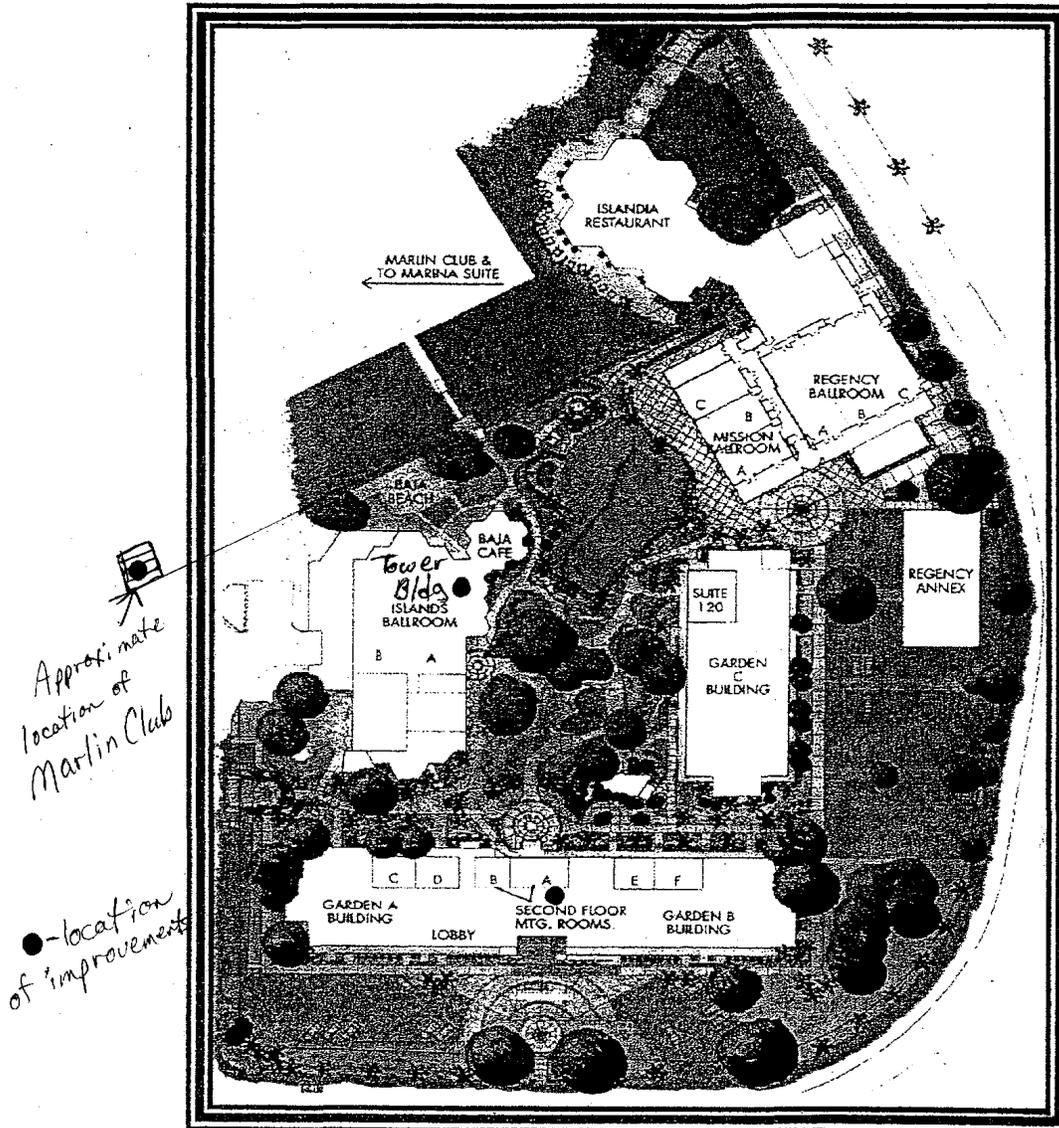
The proposed project has been found consistent with the Chapter 3 policies of the Coastal Act. There are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and is consistent with the requirements of the Coastal Act to conform to CEQA.

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

6-06-095



Approximate location of Marlin Club

● - location of improvement

EXHIBIT NO. 2
APPLICATION NO.
6-06-095
Site Plan
California Coastal Commission